United Nations A/66/747

General Assembly

Distr.: General
15 March 2012

Original: English

Sixty-sixth session
Agenda item 131
Financial reports and audited financial statements, and reports of the Board of Auditors

Report of the Board of Auditors on enhancing accountability, transparency and cost-effectiveness in the United Nations system: proposal to clarify and enhance the role of the Board of Auditors in the conduct of performance audits

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly a letter dated 15 March 2012 from the Chair of the Board of Auditors transmitting the report of the Board on enhancing accountability, transparency and cost-effectiveness in the United Nations system: proposal to clarify and enhance the role of the Board of Auditors in the conduct of performance audits.

12-26530 (E) 100412

Please recycle

Letter of transmittal

15 March 2012

I have the honour to transmit to you the report of the Board of Auditors on enhancing accountability, transparency and cost-effectiveness in the United Nations system: proposal to clarify and enhance the role of the Board of Auditors in the conduct of performance audits, as requested by the General Assembly in its resolution 65/243 B.

(*Signed*) **Liu** Jiayi
Auditor-General of the People's Republic of China
Chair of the United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Report of the Board of Auditors on enhancing accountability, transparency and cost-effectiveness in the United Nations system: proposal to clarify and enhance the role of the Board of Auditors in the conduct of performance audits

Summary

In its resolution 65/243 B on the report of the Board of Auditors, the General Assembly welcomed the Board's willingness to conduct performance audits and requested the Advisory Committee on Administrative and Budgetary Questions to request the Board to submit to the Assembly at its sixty-sixth session, in coordination with the Office of Internal Oversight Services (OIOS) and the Administration, a comprehensive proposal in this regard, including the impact of the proposal on the Financial Regulations and Rules of the United Nations.

As requested by the General Assembly, the Board has consulted with the Administration and OIOS on its proposal. The Board also consulted with the Independent Audit Advisory Committee and the Joint Inspection Unit, and informally with some of the main internal audit services of the funds and programmes. The Board has taken into account the results of these consultations in the finalization of the present proposal.

The principles of public accountability, transparency and effective governance require that public administrations be held responsible for the economic, efficient and effective management of their organizations and not simply for producing fairly presented financial statements. This holding of public administrations to account is a widely recognized responsibility and key function of external auditors in the national and international public sector.

The Financial Regulations and Rules of the United Nations recognize the wider role for external auditors by providing the Board with a discretionary mandate that extends beyond the audit of the financial statements. Specifically, regulatio 7.5 states that "the Board of Auditors may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization". This broad mandate goes beyond audit of financial statements into the examination of how well United Nations organizations have utilized the resources of Member States to deliver their mandates. Indeed, the General Assembly also recognizes the important role of supreme audit institutions in promoting the efficiency, accountability, effectiveness and transparency of public administrations (resolution 66/209).

Regulation 7.5 does not, however, fully and clearly encapsulate all the elements of modern public sector performance auditing, particularly in relation to the economy and effectiveness of operations. For many decades, the Board has been examining "management" issues under regulation 7.5, using its discretionary mandate to select topics for examination and reporting on the results in its "long-form reports", while in other instances, the Advisory Committee on Administrative and Budgetary Questions has used regulation 7.7 to request the Board to conduct specific examinations and to issue separate reports on the results.

The Board considers that there is a need to amend regulation 7.5 to provide clarity and modernize the regulations, and the present report sets out the revised text that the Board proposes. Until the General Assembly is prepared to approve such an amendment, the Board undertakes to continue to function under the existing arrangements.

However, in the present report, the Board has highlighted matters that under the existing regulations can influence its operation and functioning and the delivery of its long-form audit reports. In particular, the move to annual rather than biennial audits and reports under the International Public Sector Accounting Standards (IPSAS) requires a reconsideration of how the external audit work will be delivered by the Board, handled by the Administration and fit within the schedule of the General Assembly.

Utilizing existing regulations 7.5 and 7.7, the Board therefore makes specific proposals to enhance: (a) the way it interacts with the Advisory Committee on Administrative and Budgetary Questions, by presenting its forward programme of work to the Advisory Committee at the beginning of an audit cycle and (b) its reporting to the General Assembly by streamlining its existing long-form reports and balancing this with a limited number of topic-specific reports during each audit cycle. The latter is consistent with the current approach, whereby the Board produces annual reports on the capital master plan and IPSAS implementation, and the recent request by the Advisory Committee to prepare annual reports on the implementation of the enterprise resource planning system, Umoja.

The Board considers that a clear and modernized performance audit remit and improved reporting to the General Assembly would complement the existing remit of internal oversight services to examine issues of economy, efficiency and effectiveness. Recognizing that external and internal audit are separate functions and not interchangeable, the Board will continue to coordinate and enhance its work with oversight bodies, as well as the Independent Audit Advisory Committee, especially in its consideration of specific topics to cover through performance audits and in the timing of the audits.

The Board does not anticipate an increase in audit costs as a result of its specific proposals, since part of the performance audit effort relating to the examination of management issues included in the Board's long-form reports will be transferred to a limited number of topic-specific reports. The Board does consider that these proposals will enhance the external audit service it provides and therefore public accountability, transparency and cost-effectiveness within the United Nations system.

The Board requests the General Assembly to:

(a) **Endorse the fundamental role of the Board, as the independent external auditors of the United Nations and its funds and programmes, in contributing to enhanced accountability, transparency, governance and value for money through the conduct of performance audits;**

(b) **Amend regulation 7.5 to bring it in line with the current practice of public sector external audit and performance auditing when the Financial Regulations and Rules of the United Nations are next revised; and/or**

(c) **Endorse the Board's proposals under the existing regulations for streamlining its current long-form reports and balancing this with more topic-specific audit reports based on the Board's own assessment of the risks to cost-effective delivery and use of resources by United Nations organizations (having first sought the concurrence of the Advisory Committee on Administrative and Budgetary Questions).**

Contents

		Page
	Letter of transmittal	2
I.	Background	6
II.	Performance audit and the role of the external audit	7
III.	Current performance audit role of the Board	9
IV.	Proposals to clarify and enhance the role of the Board in the conduct of performance audits	10
V.	Advantages of the Board's proposals	12
VI.	Coordination by the Board with other oversight bodies	13
VII.	Conclusion	14
VIII.	Acknowledgement	14

I. Background

1. The Board of Auditors has always enjoyed and welcomed the strong support and recognition of the General Assembly that it is a vital and independent control mechanism for external oversight of the United Nations and its funds and programmes. The Board fulfils its role by conducting financial audits to provide assurance that the financial statements properly present the financial position and performance of the organizations and examinations into the efficiency and management of the organizations. This dual role is explicitly recognized in the Financial Regulations and Rules of the United Nations.

2. The Board, for its part, is not complacent about its position and is always seeking to enhance the external audit service it provides to the General Assembly. To this end, at its thirty-ninth special session, in December 2009, the Board recognized the need to bring the audit service it provides in line with developments in global public sector external audit practice, particularly in relation to performance auditing. In so doing, the Board was aware that in recent years the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee have both expressed a strong interest in the Board undertaking more in-depth reviews of managerial and operational areas under regulation 7.5 of the Financial Regulations and Rules of the United Nations.

3. In early 2011, the Board signalled to the Administration, the Advisory Committee and the Fifth Committee its desire for a clear and modernized performance audit remit. The Board also highlighted that the adoption of the International Public Sector Accounting Standards (IPSAS), which requires annual financial reporting and audit, would necessitate a change in how the Board reports to the General Assembly.

4. In its resolution 65/243 B, the General Assembly welcomed the Board's willingness to conduct performance audits and requested the Advisory Committee to request the Board to submit to the Assembly at its sixty-sixth session, in coordination with the Office of Internal Oversight Services (OIOS) and the Administration, a comprehensive proposal in this regard, including the impact of the proposal on the Financial Regulations and Rules of the United Nations.

5. By a letter dated 11 August 2011, the Advisory Committee informed the Board of the General Assembly's request. The Board consulted with the Administration and OIOS, as well as the Independent Audit Advisory Committee, the Joint Inspection Unit and the internal audit services of the funds and programmes. The comments received have been taken into account in developing the present proposal.

6. The Board discussed the issue of performance audit with the Panel of External Auditors of the United Nations at its fifty-second session, in December 2011. The Panel endorsed the central tenet of the Board's position that a key function of public sector external auditors is to conduct performance audits, which include the examination of the economic, efficient and effective management of public organizations.

II. Performance audit and the role of the external audit

7. United Nations system organizations are public bodies spending public money. The principles of public accountability, transparency and effective governance require that the Administrations managing these organizations be held publicly responsible for their economic, efficient and effective management and not simply for producing properly presented financial statements. The examination of this core managerial responsibility is a key function of external auditors in the public sector, and it is the strong view of the Board and the supreme audit institutions that the same principles and roles apply directly in the international public sector organizations.

8. In the Financial Regulations and Rules of the United Nations the wider role for external auditors is recognized in that the Board is given a discretionary mandate that extends beyond the financial audit of the financial statements. Regulation 7.5 reads as follows:

> The Board of Auditors may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

This broad mandate goes beyond the audit of financial statements into the examination of how well United Nations organizations have utilized the public resources of Member States to deliver their mandates.

9. Indeed, the General Assembly, in its resolution 66/209, also recognized "the important role of supreme audit institutions in promoting the efficiency, accountability, effectiveness and transparency of public administration, which is conducive to the achievement of national development objectives and priorities as well as the internationally agreed development goals, including the Millennium Development Goals".

10. Regulation 7.5 as it stands, however, does not fully and clearly encapsulate all the elements of performance auditing as they have evolved within public sector auditing, particularly in relation to the examination of the economy and effectiveness of operations. Performance auditing is the discipline whereby external auditors independently assess the extent to which an organization has utilized the resources at its disposal in an economical, efficient and effective manner to achieve stated objectives (see definition in the box below). Accountability and transparency presuppose public insight into the activities of public organizations; and performance auditing is a way for legislatures and citizens to obtain such insight into the management and outcomes of administrative and operational activities. Performance audit therefore helps to build legitimacy and trust for the public organizations concerned. Indeed, it is in the interest of the United Nations system, which is reliant on donations from Member States, that it continue to mandate its external auditors to conduct independent performance audits, especially in a rapidly changing, uncertain and complex world with limited resources.

Definition of performance auditing

Performance auditing[a] embraces the following:

(a) **Economy (keeping the costs low)**: the audit of economy of administrative activities in accordance with sound administrative principles and practices, and management policies;

(b) **Efficiency (making the most of available resources)**: the audit of efficiency of utilization of human, financial and other resources, including examination of information systems, performance measures, monitoring arrangements, and procedures followed by audited entities for remedying identified deficiencies;

(c) **Effectiveness (achieving the stipulated aims or objectives)**: the audit of effectiveness of performance in relation to achievement of the objectives of the audited entity, and the audit of the actual impact of activities compared with the intended impact.

[a] The International Standards of Supreme Audit Institutions define performance auditing for public sector external auditors (ISSAI 3000). The standards are issued by the International Organization of Supreme Audit Institutions. Further information is available from www.issai.org.

11. The Administration has suggested that the definition above and the objectives, scope of work, methodology and levels of analysis involved would benefit from further description. The Board considers that the definition above is sufficient and that the precise objectives, scope of work, methodologies and level of analysis is for the Board to determine in relation to each individual audit assignment.

12. The value of a performance audit mandate for external auditors is enhanced by the fact that external audit is wholly independent of the Administration whose activities are subject to such audit. The General Assembly fully supports the concept of the independence of its external auditors, and this is embedded in the Financial Regulations and Rules of the United Nations.

13. Independence is the bedrock of effective external audit and public accountability as set out in the Lima Declaration of Guidelines on Auditing Precepts of 1977 and the Mexico Declaration on Supreme Audit Institutions Independence of 2007 of the International Organization of Supreme Audit Institutions (INTOSAI).[1] The General Assembly has also recognized that it is the responsibility of the public sector external audit function to provide independent assurance on the efficient and effective use of public funds (see resolution 66/209). To maintain, demonstrate and protect this independence it is essential that the external auditors are free to determine their work programme (based on consultations as and where appropriate), have full discretion in the discharge of their responsibilities, and are free from undue influence by any part of the administrations that they audit.

[1] The Lima Declaration set out the principles of independence in public sector auditing. At the Nineteenth Congress of INTOSAI in Mexico in 2007, the principles were defined in more precise terms under eight pillars of external public sector auditing. The Board, which is composed of supreme audit institutions that are members of INTOSAI, strives to meet the principles in conducting its work for the United Nations and its funds and programmes.

14. Performance auditing also enables the external auditors to use their unique position, access and expertise[2] to add value to an organization by identifying ways in which activities and operations can be delivered more cost-effectively and making appropriate recommendations for improvement. In conducting performance audits of specific areas of the operations of an organization and reporting the results to the General Assembly or other legislative/governing bodies, the Board can contribute to the efforts of administrations to improve their operations by identifying underlying and systemic problems, ensuring that good value for money is achieved and where possible identifying opportunities for savings.

III. Current performance audit role of the Board

15. Since its inception, the Board has utilized audit approaches as they have evolved in the public sector, including performance auditing, to examine "managerial issues" under regulation 7.5, using its discretionary mandate to select topics for examination and reporting on the results in its long-form reports. In almost all cases, the long-form reports are associated with an individual United Nations entity or account, and the managerial issues are linked to the organization or account in question.

16. The Board's long-form reports are typically published at least six months after the end of the annual or biennial financial cycle of the organizations concerned, together with a short-form report, which sets out the external auditors' opinion on the financial statements. Exceptionally, the Board has, when requested, produced free-standing reports on a single topic, with recent examples being the progress reports on the capital master plan and the implementation of International Public Sector Accounting Standards (IPSAS).

17. The Board's long-standing approach under regulation 7.5 has served to integrate its work with the business of the legislative bodies and to provide the General Assembly, Member States and donors with a report on every entity for which they have to make decisions on budget allocations and funding. The Board has considered matters that currently affect the operation and functioning of its reporting, particularly in relation to performance audits. These matters include the following:

(a) While annual reporting under IPSAS is a positive development, it will lead to increased numbers of reports on a more frequent basis. This will significantly impact the work of the Administration, the Board, the Advisory Committee on Administrative and Budgetary Questions and the General Assembly. In this context, the Board sees the need and opportunity now for rationalization of the size and content of the long-form audit reports, since it is the oversight body whose work will be affected by the implementation of IPSAS. There is also an opportunity for more flexibility in the production of stand-alone reports on specific topics. The Board considers that the General Assembly would like to see timely reports that identify critical problems, causes and risks that need to be addressed to improve United Nations administration and operations;

[2] Particularly in areas such as governance, control and risk management; financial management and reporting; the use of information to improve decision-making; and the cost-effective delivery of services, projects and business transformation.

(b) The timing of the long-form reports is largely determined by the financial accounting and audit cycle, which could, in some instances, mean that the General Assembly does not receive timely and independent external audit assessments and reports on major issues and concerns that the Board identifies during its audits. In many cases, the Board is ready and able to report to the General Assembly within a shorter and more responsive time frame;

(c) The Board recognizes the need to provide the General Assembly with further in-depth topic-specific studies to enable its consideration of strategically important issues both within and across United Nations organizations. Under the existing arrangements, the Board is constrained to reporting the results of its findings in entity-specific long-form reports or needs a specific request from the Advisory Committee on Administrative and Budgetary Questions to issue a separate report;

(d) Producing a long-form report on every entity regardless of size and risk may not represent the most cost-effective way to focus limited external audit resources. The Board envisages that it should be possible to deliver a better value external audit service by focusing in more depth on the most critical issues for management.

IV. Proposals to clarify and enhance the role of the Board in the conduct of performance audits

Proposal 1

18. In the light of the above discussion, the General Assembly may see value in revising regulation 7.5, which currently reads:

> The Board of Auditors may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization.

to read (additions underlined):

> The Board of Auditors may make observations with respect to the <u>economy</u>, efficiency <u>and effectiveness</u> of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization <u>and submit its reports to the General Assembly</u>.

19. The Administration indicated that revising regulation 7.5 might require an associated amendment to General Assembly resolution 74(I) of 1946 by which the Board was established and the annex to the Financial Regulations and Rules. The Board considers that its proposal to clarify its role under regulation 7.5 should not require further legislative change.

Proposal 2

20. While the Board, in the long run, considers that there is a need for regulation 7.5 to be amended, in the short-term it is prepared to continue to function

under the existing arrangements whereby it would seek the approval of the Advisory Committee on Administrative and Budgetary Questions to produce topic-specific reports based on its risk assessments. Utilizing regulation 7.7, the Board proposes to seek the concurrence of the Advisory Committee by presenting its forward programme of work to the Advisory Committee at the beginning of an audit cycle. The Board will also streamline its long-form reports and balance its programme of work with a limited number of topic-specific audit reports during each audit cycle. The programme of work will focus on potential topics identified by the Board, with a clear rationale for each topic's selection. In accordance with regulation 7.7, the Advisory Committee may then request the Board to deliver its proposed programme to the General Assembly.

Implementation of the proposals

21. To address the matters highlighted above, including the impact of annual reporting under IPSAS, the Board considers that it will need to:

(a) Streamline its long-form reports on individual entities by:

(i) Shortening their content to focus on financial, internal control and compliance issues and a limited range of entity-specific "management" issues;

(ii) In the case of low-risk entities, producing an opinion (short-form report) only, with any exceptional matters included in a long-form report in accordance with regulation 7.11;

(b) Balance the reduction in coverage of "management" issues at the entity level by producing a limited number of topic-specific reports each year on selected major managerial issues. Such reports would focus on one area, function or process (for example, procurement, a major information technology programme, a building project or an operational programme) that is examined within the context of a single organization or across multiple organizations.

22. In the short term, the Board envisages that the current topic-specific reports on IPSAS and the capital master plan, and the new annual report on Umoja, will continue, and would look to identify a limited number of additional topic-specific reports for inclusion in its work programme. The Board envisages, through streamlining its long-form reports, that it would undertake no more than three additional topic-specific reports per year on a similar scale within its current budgetary resources. The full long-form report could remain for the major entities where there is known General Assembly interest.

23. If the General Assembly were to support the Board's proposals, the next step would be to determine a proposed programme of work showing the mix and timing of long-form, topic-specific and short-form reports. In very broad terms, the topics for examination will be in areas the Board considers, through its previous work, that risk analysis and consultations would offer the greatest scope for improved cost-effectiveness and are of the greatest strategic importance to the United Nations and its funds and programmes.

24. The Board considers that the arrangements described above could be instituted in 2013. The Board would deliver its normal planned programme of work up to the third quarter of 2012, ensuring sufficient time to focus on IPSAS implementation in

the first nine United Nations entities. The first full programme of reports for discussion with the Advisory Committee on Administrative and Budgetary Questions would be delivered in 2013 and onward, with the tabling and discussion of the forward programme, covering at least three years, taking place sometime in the fall of 2012.

V. Advantages of the Board's proposals

25. The advantages the Board sees in its proposed approach are:

(a) **An improved external audit service**. The Board considers that, through more focused and in-depth examinations of specific topics, making better use of performance audit techniques, it will be able to provide the General Assembly and the governing bodies with greater insight and information, and therefore transparency, on the performance of the entities and the delivery of major programmes and projects. In turn, the entities will gain insight and advice on how they can improve cost-effectiveness, and this will complement the improved financial information and transparency that will come with the adoption of IPSAS. The Board considers, for example, that its reports on IPSAS and the capital master plan illustrate how it can support the General Assembly and the Administration in addressing the risks to value for money;

(b) **Improved timeliness of reporting**. The arrangements described above would enable the Board to vary the timing of its reports, choosing, in agreement with the Advisory Committee on Administrative and Budgetary Questions, the most valuable timing for individual reports, for example, in response to emerging concerns on a major programme or because an important decision needs to be made on future funding. It would also facilitate more regular issuance of reports throughout the year, instead of the current concentration of Board reports in the fall;

(c) **Neutral impact on the audit fee**. The Administration has been rightly concerned that the Board's proposal might lead to an increase in audit costs, particularly with the increased intensity of the work of the Board relating to IPSAS implementation. However, the Board does not anticipate an increase in audit costs as a result of these specific proposals, since part of the performance audit effort relating to the examination of management issues included in the Board's long-form reports will be transferred to a limited number of topic-specific reports. In other words, there will be a realignment of the Board's existing budgetary resources.[3] In the long run, as the merits of this new approach are appreciated, it could be that the Advisory Committee and/or the Fifth Committee would request more studies by the Board, in which case there might be cost implications. This will, however, simply be consistent with the present arrangements when additional assignments are requested by legislative/governing bodies. In terms of the impact on the Administration, the Board envisages that while the Administration will receive more topic-specific reports on critical issues from time to time, the number and size of long-form reports will decrease overall;

[3] The Board has already sought increased fees for biennium 2012-2013 to cover the additional costs involved in certifying the financial statements of entities in its portfolio on an annual rather than biennial basis under IPSAS. It has also sought to rebalance its portfolio through reassignment of lead audit responsibilities among Board members.

(d) **Increased accountability and public confidence**. There will be benefit to the United Nations in terms of the trust of Member States and the wider public that will come from enhanced external audit reporting.

VI. Coordination by the Board with other oversight bodies

26. The Board and the other oversight bodies conduct their work within an environment of finite resources, and it is incumbent on all to utilize and target those resources cost-effectively. External auditors, therefore, should and do consult widely to understand risks and coordinate where necessary with audit committees and internal oversight bodies to avoid unnecessary overlap and realize opportunities for maximizing the value of oversight. In this context, the Board also supports a performance audit remit for internal oversight services, so that in fulfilling their separate and valuable functions they too can report to management, and if necessary governing bodies, on issues of economy, efficiency and effectiveness. Ultimately, the Board considers that the size, complexity and challenges faced by the United Nations system mean that all of the external and internal oversight bodies have more than enough room within which to operate and contribute.

27. Importantly, external auditors must also consult with the governing bodies (the Advisory Committee on Administrative and Budgetary Questions in the case of the Board), especially where there is a risk that the proposed work exceeds their mandates, raises political sensitivities or may result in the need for an increase in audit fee. However, the important principle should remain that the external auditors are the sole determinants of their proposed programme of work within their approved budget.

28. In its final consultation on the Board's proposal, the Independent Audit Advisory Committee reiterated its position in paragraph 56 of its report (A/66/299), in which it stated as follows:

> The Committee was cognizant of the fact that according to International Standards of Supreme Audit Institutions (ISSAI) Standard 5000, external auditors of publicly funded international institutions perform both regularity (the traditional financial statement audit) and performance audits. The Board of Auditors is seeking a strengthened mandate to cover the "three Es" (economy, efficiency and effectiveness), as well as the ability to issue stand-alone reports on the results.

The Board welcomes the recognition by the Independent Audit Advisory Committee of the wider role of external auditors in publicly funded international institutions.

29. In the same paragraph, the Independent Audit Advisory Committee also indicated its view that should the General Assembly authorize the Board of Auditors to carry out additional performance audits, measures should be put in place to make sure that such audits are not unnecessarily or inappropriately duplicative or overlapping with those performed by OIOS. It further indicated that ensuring the absence of overlap or duplication would require concerted effort between OIOS and the Board of Auditors and would necessitate the Board to place more emphasis on the work done by OIOS.

30. The Board considers that its proposals offer the opportunity to find ways of enhancing coordination with the oversight bodies across its entire portfolio,

including the Joint Inspection Unit, OIOS and the other internal audit services of the funds and programmes. The Board is committed to ensuring that effective coordination remains one of its highest priorities with all of the oversight entities and audit committees with which it works by discussing the risks to value for money and the proposed areas to be subject to performance audits.

VII. Conclusion

31. **The Board considers that its proposals will enhance the external audit service it provides and therefore public accountability, transparency and cost-effectiveness with the United Nations system. The Board requests the General Assembly to:**

(a) **Endorse the fundamental role of the Board, as the independent external auditors of the United Nations and its funds and programmes, in contributing to enhanced accountability, transparency, governance and value for money through the conduct of performance audits;**

(b) **Amend regulation 7.5 to bring it in line with the current practice of public sector external audit and performance auditing when the Financial Regulations and Rules of the United Nations are next revised; and/or**

(c) **Endorse the Board's proposals under the existing regulations for streamlining its current long-form reports, and balancing this with more topic-specific audit reports based on the Board's own assessment of the risks to cost-effective delivery and use of resources by United Nations organizations (having first sought the concurrence of the Advisory Committee on Administrative and Budgetary Questions).**

VIII. Acknowledgement

32. The Board wishes to express its appreciation to the Administration, the Independent Audit Advisory Committee, the Office of Internal Oversight Services, the Joint Inspection Unit and other internal audit services for the valuable feedback provided on the present report.

Liu Jiayi
Auditor-General of China
Chairman of the United Nations Board of Auditors

Terence **Nombembe**
Auditor-General of South Africa

Amyas **Morse**
Comptroller and Auditor-General of the
United Kingdom of Great Britain and Northern Island